

# FISCAL NOTE

## HB 4267 - SB 4268

May 5, 2008

**SUMMARY OF BILL:** Authorizes the State of Tennessee to issue direct general obligation interest-bearing bonds in amounts not to exceed \$138,000,000 for the purpose of providing funds to the Department of Transportation for expenses related to the construction of State Route 840. Authorizes the funding board to issue bonds in amounts not to exceed 2.5% of the amount specified above for funding discount and costs of issuance.

### ESTIMATED FISCAL IMPACT:

**Increase State Expenditures-\$15,331,800 - 1<sup>st</sup> Year Debt Service/  
Highway Fund**

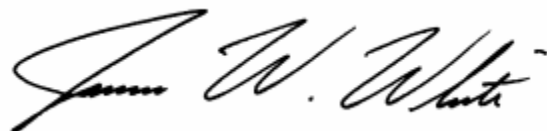
**\$227,189,400 Over life of the bonds**  
**\$139,380,000 Principal**  
**\$ 87,809,400 Interest**

#### Assumptions:

- Cost of issuance is estimated to be 1.0 percent of face value.
- Principal (\$138,000,000) plus 1.0 percent cost of issuance (\$1,380,000) is \$139,380,000.
- Bonds will be issued for a period of 20 years at an interest rate of 6% and 1/20<sup>th</sup> of the principal plus interest will be paid annually.

### CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/cce